Charles J. Marsh

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THE COLLEGE OF WILLIAM AND MARY
IN VIRGINIA

THE WORLD IN CRISIS

Eight Radio Addresses by Members of the Faculty
of the College of William and Mary

WILLIAMSBURG, VIRGINIA
1940

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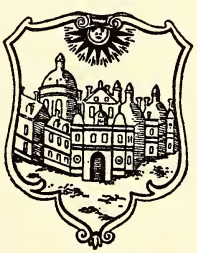

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PREFACE

In spite of the fact that the papers collected in this booklet were written as informal radio talks, not as essays intended for publication, and in spite of the fact that their authors have therefore consented to their publication only with some modest reluctance, the College is nonetheless glad to print them, in response to numerous requests.

Most radio speeches, concerned with the tragic problems confronting the world today, tend to limit themselves to the narow context of current events. While an abundance of speeches of that type is necessary and profoundly valuable, another kind is needed as well, the kind, namely, which members of college and university faculties are particularly suited to give and of which the papers in this collection are an example, the kind that endeavors to interpret contemporary problems and events in the light of history, of philosophy, and of science. Recognizing this need, the Committee on Radio Programs by the Faculty has organized the current series entitled "The World in Crisis," which is broadcast Friday evenings over Station WRNL, Richmond, Virginia, and which will be continued through the academic year 1940-41. The first eight talks of this series, which comprise the present booklet, have met with so favorable a reception that the College regards their publication as a further service that it cannot refuse to render.

The following is the schedule for the rest of the series:

DECEMBER 13: "The War and India", Carlton Wood, Assistant Professor of Government.

JANUARY 10: "Our Relations with Latin America", Cecil Morales, Assistant Professor of Modern Languages.

FEBRUARY 7: "America and the Far East", Lionel Laing, Assistant Professor of Government.

FEBRUARY 14: "British and German Methods of Finance—I", S. Donald Southworth, Professor of Economics.

FEBRUARY 21: "British and German Methods of Finance—II", S. Donald Southworth.

FEBRUARY 28: "The Family in Wartime", Daniel J. Blocker, Professor of Sociology.

MARCH 7: "The Schools in a Dictatorship", George H. Armacost, Associate Professor of Education.

MARCH 14: "Crime in Wartime", Edgar M. Foltin, Professor of Jurisprudence.

MARCH 21: "War Propaganda in the United States", Thomas Pinckney, Director of Public Relations.

March 28: "Art as Propaganda", Thomas Thorne, Instructor in Fine Arts.

April 11: "Music in Exile", Allan Sly, Associate Professor of Fine Arts.

April 18: "Aerial Warfare", William W. Merrymon, Associate Professor of Physics.

April 25: "Chemical Warfare", Robert G. Robb, Professor of Organic Chemistry.

May 2: "Synthetic Products in War", Alfred R. Armstrong, Assistant Professor of Chemistry.

May 9: "Biological Warfare—I", Roy P. Ash, Assistant Professor of Biology.

May 16: "Biological Warfare—II", Albert L. Delisle, Assistant Professor of Biology.

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FASCISM IN ANTIQUITY

ONE OF THE REASONS why no generation can write its own history adequately is that it lacks perspective. We live too close to the events, the persons and the theories of our own day to view them entirely dispassionately or to evaluate them critically. Political systems, particularly, should be viewed in their entirety, their beginnings, their accomplishments and their end, before we can judge them safely and wisely as a whole. But if contemporary systems such as the totalitarian state seem only to have just begun, how can we judge them at all?

History rescues us from this impasse. With steady insistence, from the beginning of recorded time, she keeps repeating for us that the story of the future is written largely in the story of the past, for those who have eyes to read it there. It is a platitude, of course, that history repeats itself, but wise men do not scorn platitudes. It would be extremely valuable, therefore, for us today, if we could examine in the records of the past a perfect totalitarian state; see its beginning and its end; trace its pattern infallibly, rate its value and foretell its fate.

Strangely enough there once was a such a state. And so perfect a pattern is it of our modern authoritarian systems that we could say our modern forms have been modelled upon it, if we did not know the limited educational backgrounds of modern totalitarian leaders. Perhaps the most striking and interesting thing about this ancient Fascist State is that it was evolved by the same race which has given us our ideas of Democracy. It was this latter for which the Greeks are best known and for which the world is most indebted to them. Diametrically opposed to the earlier and later exaltation of a God-King or a divine-like leader inspiring blind devotion, and the servile submission of the great mass of the people which is a corollary of that quasi-religious exaltation, the whole progress of Greek life and thought, particularly as we see it in Athens, shows the steady creation of a new conception of the value of the individual, the innate dignity and worth of man as man.

But Sparta was an exception. Dorian Sparta, southern neighbor of Ionian Athens, situated in one of the few fertile regions of Greece, evolved a political and social philosophy, utterly different from anything else in all of Greece. Even contemporary Greeks knew this contrast and wondered at it. And their judgment of it changed with the times. At first they scorned it; he was a barbarian, to a Greek, "who believed without thinking and lived without liberty." But later, when Democracy had bungled inefficiently, full of corruption and demagoguery, there were many even in Athens, cradle of democracy, who turned admiring and envious eyes toward the efficiency and thoroughness of Sparta.

There is a powerfully illuminating lesson for us in the story of Sparta. No one could have foreseen in the eighth and seventh cen-

turies B. C. what its future would be. It is true, they were Dorians, relatively late-comers into Greece, introduced to civilization later than the Ionians and destined always to be somewhat their inferiors; but they were Greeks. And they gave to the world in their early days the magnificent creation of the Choral Lyric, greatest of all the lyric gifts of Greece, the heart and soul of later Athenian Drama; they gave to the world the Olympic games with their ideals of graceful physical development and sportsmanship; and the innate strength and simplicity of their character and genius is forever witnessed in the Doric Column. But these were creations of the eighth and seventh centuries; how did Sparta change?

The Spartiates—Spartans of pure Dorian blood—were relatively few, perhaps 10,000 in a population forty times their number. To preserve their racial integrity free from mixture (which never seemed to bother the other Greek peoples) and to preserve surely and safely their rule over their subjects at home, a rigid form of control was necessary; and, later, with security established at home, to further their development abroad and to gain those advantages by conquest, which other Greek peoples obtained by peaceful colonization, a highly developed military machine was necessary. With magnificent adaptation of every possible means to attain this end, the whole of Spartan life was regimented from the cradle to the grave.

It is not important to recount the mythical establishment of the Constitution of their state by Lycurgus—who received it, of course, direct from the god at Delphi. This is of a piece with the almost religious devotion of the Spartans. Nor are the actual provisions of the Constitution important in themselves (they never are in a totalitarian state) such as: the two kings who, by the fifth century, had become mere figure-heads; the assembly of older men (gerousia) whose duties and authority in practise were limited to voting "yes"; the chief office of ephor (or overseer); and the three social groups: Spartiates, Perioeci and Helots. The significant thing for us is to examine how the Spartans really lived. Strangely enough, nearly all our information of the Spartan system comes from an Athenian, a certain Xenephon, a disgruntled aristocrat of the fourth century, who, despising the uncertainties and errors of democracy as he saw it, wrote an enthusiastic book on "The Lacedemonian State." Plutarch's eulogistic life of Lycurgus fills in the details of the picture, a picture which seems to us terrifyingly modern.

Because the central support of Spartan life was the army, Sparta formed its moral code, characteristically enough, on the military ideal. The only virtues Sparta knew were virtues of the camp; a Spartan's highest honor and happiness was death upon the field of battle. "Return with your shield or on it" was more than "a Spartan Mother's farewell to her soldier son", it was the cardinal tenet in a Spartan's *credo*. His life was not his own but Sparta's, for he had no worth of himself save only as a servant of the State.

Such an ideal, denying so many human values in life, could be attained only by men who were trained to it from birth by the most rigorous discipline. At birth, therefore, the State claimed the infant Spartan. His very parents had been predetermined by a ruthless system of eugenics; purity of blood, health and loyalty to the State were the only considerations permitted in a Spartan marriage. Nor was wed-lock strictly necessary. It was the solemn duty of every Spartan woman to bear many sons for her country; there was no such thing as illegitimacy, so long as the blood-strain of Spartiates was kept unsullied.

The Spartan boy was taken from his mother at the age of seven and began a barracks-life existence that ended only with his death or expulsion from the State. His training was simple: to suffer silently, to obey blindly and to steal successfully. The sole aim of all his schooling was development of martial worth and courage. Cruel tricks and trials were invented to test his vigor and fortitude. He was taught to believe that pity, kindness, charity and the gentler virtues were weaknesses. There was little reading and writing because only a few books contained all a Spartan needed to know. Those books which were judged dangerous to the system were excluded from the State or publicly burned. If the boy proved worthy he was allowed to attend the public meetings, was expected to listen carefully so that he might imbibe the spirit and ideals of his leader. If, finally, he survived with honor the trials and hardships of his youthful training, he was admitted to the party with all the rights and privileges of a citizen.

The Spartan girl remained at home, but none the less her life was rigidly regulated by the State. From childhood on, she was required to take part in vigorous and happy games—running, wrestling and throwing the javelin (strength through joy). The aim of her education was solely to make her strong and healthy for easy and frequent motherhood. She served her country best who bore most soldiers for her country's army. Mental training was not to be wasted upon the Spartan girl.

Of course there was no home-life. The aims of the State were not to be hampered by the ties of family or the bonds of friendship. The barracks where the Spartan citizen spent his life (after the age of twenty), where food was carefully rationed so as to be slightly inadequate in amount, was admirably designed, as Plutarch says, to harden him to the privations of war, and to keep him from the softening influence of home.

The vaunted Spartan equality of wealth was a mere fiction; great inequalities existed although they were carefully hidden. In spite of rigid prohibitions against foreign trade, and in spite of the ingenious invention of a cumbersome iron currency, great fortunes were amassed. Official corruption in Sparta (as Herodotus shows) surpassed anything to be found in all of ancient Greece. Ephors, generals and kings were alike corruptible—each in proportion to his importance and his price.

Strict supervision of visitors to the State, severe laws against foreign travel and a careful censorship served to keep even the faintest

knowledge of the outside world of Hellas, where liberty, art and literature flourished, from entering and disturbing the servile minds of Spartans. And over all the system was the secret-police (the Crypteia) composed of the younger and more ruthless men of the party, who were trained to spy out the least disaffection, every chance unguarded word of complaint, and whose duty it was to kill, upon the mere suspicion, any helot-critic of the State.

To no people—even to the Spartans—would such a life have been possible without the almost mystic fervor of men who follow blindly and ecstatically an inspiration. Putarch, writing in enthusiastic praise of the system, gives us unconsciously the clue to the understanding of it. "Nobody" he writes "was free to live as he wished, but as if in a camp, everyone has his way of life and his public duties fixed; and he held that he did not belong to himself but to his leader." And again: "They made the citizens accustomed to have neither the will nor the ability to lead a private life; but, like bees, always to be organic parts of the community, to cling around their leader, and in an ecstasy of enthusiasm and selfless ambition, to belong wholly to their country."

It is strange indeed that such a system could ever have appealed to intelligent men. Yet late in the fifth century and early in the fourth, there were many Athenian thinkers who, more than a little fearful of the excesses of a decadent democracy, idealized the law and order, the efficiently-regimented life of their neighbor Sparta. They were too close to the system to see it clearly and judge it properly. They did not know that emphasis upon mere physical perfection had killed off all capacity for enjoyment of the things of the spirit. They could not learn, by personal contact, the selfishness, the narrowness of mind, the cold, hard cruelty of the Spartan character. But, most important of all, they did not realize that all the bright promises which Ancient Sparta had held for art and letters, had faded completely; that the Sparta of the Choral song, the Doric Column and even martial poetry was gone forever.

And then, at the end of the fifth century, the once glorious democratic Athens, torn by domestic strife and, worst of all, shot through and through with Spartan sympathizers, fell before this perfect military machine and the light of civilization in Greece went out. Sparta's own end was not long after. Supreme in Greece, at last, Sparta showed the shallow emptiness of the life she offered. She ruled but briefly, hated and abhorred even by her friends. When she fell, the rest of Hellas quietly gathered the shattered fragments of the ancient life for future ages. But Sparta left nothing to the world except a bitter lesson.

A great people, capable of heights of accomplishment in the realms of civilization, descended to barbarism, its own victory ashes in its grasp, through a blind, unthinking, servile service of the State; this is the lesson of Fascism in antiquity.

George J. Ryan.

FUNDAMENTAL CAUSES OF THE SECOND WORLD WAR

THE SUBJECT, Fundamental Causes of the Second World War, is obviously too broad for adequate discussion in a brief talk. Furthermore, we are still too close to the momentous events of the past twenty years to have the proper perspective for final judgment. However, it may be of value to attempt to suggest some of the factors and events which will undoubtedly receive detailed treatment when a definitive study is made in the future.

The Peace Settlement of 1919 had within itself the germs of future wars. While, in some respects, the treaties constituted a normal peace, nevertheless the total effect upon the defeated powers was severe and humiliating. Also we must remember that they had been led to expect more lenient terms. The clauses of the treaties fall into three main groups: the territorial provisions, the disarmament provisions, and the reparations provisions. Each category had its bad and unreasonable features.

The union of Germany and Austria was forbidden. The Republic of Austria, created out of the ruins of the Dual Monarchy, was small and economically unsound. It was wholly German in character and from the beginning there was a strong movement within Austria for Anschluss. The League of Nations and the Allies supported the artificial and precarious independence of this little state but with the growth of Nazi Germany and the political and economic confusion in Vienna, this unnatural situation could not be maintained.

The creation of the Polish Corridor to give the new Poland direct outlet to the Baltic and the establishment of Danzig as a Free City, were even worse features of the territorial settlement. The Corridor contained a sizeable German minority and Danzig was entirely a German city. Furthermore the Corridor separated East Prussia, one of the oldest possessions of the House of Hohenzollern, from the rest of Germany. An aroused militaristic Germany would not tolerate the continuance of this situation and there is good reason to believe that, if Hitler had not already used force against Austria and Czechoslovakia, a peaceful readjustment of the Polish question might have been reached.

Then the Allies did not keep faith with Germany on disarmament. Germany was deprived of most of her weapons of war on the understanding that the Allies would likewise disarm. All attempts at general world disarmament after 1920 failed either because of conflict over technical details and arrangements or because of refusal to grant equality to Germany. The final break came in 1933 when Hitler suddenly decided to put an end to this useless discussion and win a place of equality

for Germany. He announced Germany's withdrawal from the Disarmament Conference and from the League of Nations and proceeded, in defiance of the Treaty of Versailles, to re-arm Germany on a tremendous scale. In March 1935 he proclaimed to the world the extent of his plans and in the following year he made his western frontier secure by the re-occupation of the demilitarized Rhineland.

The problem of reparations was equally humiliating and irritating. Furthermore it involved the whole question of a stable German and European economy. The aim of the Allies, particularly France, was to place Germany in permanent financial bondage. The settlement reached by the Reparations Commission in May 1921 was impossible. The total bill and the annual payments imposed on Germany were far too high. She soon had to default and by 1922 her financial structure was on the verge of collapse. France was determined that Germany could and must pay and the result was the unfortunate French occupation of the Ruhr and the collapse of the German mark. Germany was drowning in a sea of inflation and reparations were one of the causes. The German Republic never fully recovered from that catastrophe. The whole question of reparations was re-studied by the Dawes Commission and the resulting Dawes Plan of 1924 considerably reduced the amount of the annual payments but did not attempt to fix the final amount which Germany should ultimately pay. The Young Plan, finaly adopted in 1930, worked out an arrangement whereby Germany would have completed her payment of reparations in 1988. Then quickly came the world depression and the Hoover Moratorium of 1931 by which all reparations payments by Germany and all war debt payments by the Allies to the United States should cease for a year. In fact, the Moratorium was permanent.

In general, then, some of the major provisions of the Treaty of Versailles were deeply resented in Germany. Furthermore several of these provisions were applied and enforced in an unreasonable and unfortunate manner. On the other hand it is perfectly true that certain groups in Germany, notably the Nazis, greatly exaggerated the faults of the treaty and tried, for political purposes, to blame all of Germany's woes upon that document.

The failure of the League of Nations and everything for which it stood can likewise be considered a fundamental cause of the present conflict. The League represented collective security and the peaceful negotiation of international disputes. It was destroyed by the proponents of force. The League labored under certain handicaps from the beginning. In the first place some of the enthusiasm and idealism which contributed to the demand for the League had already disappeared by the time it was put into operation. Furthermore the League never enjoyed the complete membership or the full support of the major powers. The failure of the United States to join was a severe blow at the very beginning. Germany was not invited to join until 1926 and both she and Japan had withdrawn by the time Russia was admitted in 1934. In addition the League did not receive the undivided support of major

states like England and France. The governments of those states wavered in their allegiance to the principle of collective security and at times seemed to give merely lip-service to the League for popular consumption at home. At other times they seemed to be using the machinery at Geneva to further their own national and selfish ends. Finally public opinion throughout the world was rather lukewarm toward the League.

However, even with these handicaps, the League appeared to work fairly well in the first ten years of its history. But we can see now that most of this success was won in minor disputes and that as soon as it was confronted with major problems its basic weaknesses emerged. The Sino-Japanese dispute of 1931 was the first great blow to the League. Japan was guilty of unprovoked attack upon China, but the League, beyond condemning Japan, was unable to do anything about it. The failure of the member powers to agree upon any decisive action was an eloquent lesson to the smaller and weaker powers. An aggressor state, in violation of her commitments, began a war of conquest against a weaker neighbor and escaped unpunished. Could small states look to the League for protection in the future? The principle of collective security had surrendered to the use of force.

The second and crowning blow to the League and the principles for which it stood came in the Italo-Ethiopian affair of 1935-36. This time the League did impose economic sanctions upon the aggressor but its efforts were ruined by the policy of England and France. These two powers, alarmed by the rise of Nazi Germany, were seeking the friendship of Italy. They did not wish to do anything which would really hinder Mussolini in his conquest of Ethiopia. However, being prominent members of the League and mindful of public opinion at home, they had to go through the motions of supporting the action of the League. Furthermore they might need the assistance of the League in the future. The real policy of England and France was disclosed in the famous Hoare-Laval plan of December 1935. This destroyed the whole idea of League action against aggression. Once more force, the weapon of the totalitarian regimes, had triumphed over the shortsightedness of the democracies and the weaknesses in the machinery of collective security.

But even now, granting the failure of the Peace Settlement and the League of Nations to provide Europe with stability and security, the second world war might have been avoided. The most important positive factor in producing that conflict was the policy of Nazi Germany. For several years the real character of National Socialism was misunderstood. Many people both inside and outside Germany believed that it was a purely domestic development that would remain bottled up in Germany and even there that its worst excesses would soon wear themselves out. Our eyes have now been opened. National Socialism is a dynamic revolutionary movement which first destroyed every trace of democracy and freedom in Germany and then turned to destroy Europe. The key to Nazi foreign policy is the demand for Lebensraum —living space. This means that Germany must have sufficient terri-

tory to provide her with absolute freedom of action. She must be completely free of dependence upon others. She must be absolutely blockade-proof. This goal could be attained only by German control over all Europe. Hitler was confident that this could be done because he believed the democracies were on the decline. By making his demands piecemeal he could force England and France, the chief representatives of the old order, to make one concession after the other until it was almost impossible for them to call a halt. England and France believed that by concessions, by a policy of appeasement, Hitler could be satisfied. They did not realize that each concession sharpened his eagerness for a new attack and made him more confident of ultimate success. For Hitler the really decisive action is supposed to take place before the outbreak of war. It consists in a demoralization of the enemy. Given this true character of the movement, compromise, for National Socialism is death. Once Hitler had embarked upon this policy of expansion, he could not stop. He set loose the train of events which led directly to the present war.

Harold Lees Fowler.

IMMEDIATE CAUSES OF THE PRESENT WORLD WAR

THE IMMEDIATE CAUSES of the present war are to be found in the train of events which began with the Nazi seizure of Austria in March 1938. These events proceeded, on the one hand, from the determination of Hitler to carry out a program of territorial expansion in the heart of the European continent, and on the other, the tardy realization of France and Britain that they must yield to Hitler complete control of the continent or resist, making war inevitable. The Nazi program rested upon two principles: first, that all people of German blood in whatever territory they happened to live morally belonged to the German Reich; second, that Germany as a great and highly populated country was entitled to Lebensraum—that is, sufficient territory to provide Germany with absolute freedom of action. To carry out this program Hitler relied upon a simple abrogation of all diplomatic morality, on clever timing, and a new technique of non-military penetration, which when necessary was followed by actual military invasion.

Austria, the first victim of these tactics, had long been coveted by the Third Reich. As early as 1934, Austrian Nazis at German instigation had murdered Chancellor Dollfus in Vienna; but the coup was suppressed in time and Hitler drew back when Mussolini mobilized troops on the Brenner Pass as a warning against German aggression. Four years later the Austrian government faced a wholly different situation. Pressure from Germany had steadily increased, the growth of the Austrian Nazis had gone on unchecked, while Mussolini, now an active partner in the Rome-Berlin axis, could no longer be counted on for help. In this extremity Dr. Schuschnigg, the Austrian Chancellor, yielded to his advisers and went to Berchtesgaden for a conference with Hitler on the Austro-German problem. Various accounts of what happened at that meeting have appeared. All agree, however, that Hitler and his generals by the use of third degree tactics finally extorted from the unhappy Austrian a pledge that an Austrian Nazi be put in charge of the police force, with a seat on Schuschnigg's cabinet.

With Schuschnigg's return to Vienna events moved rapidly to a climax. Seyzz-Inquart, the new minister of police played Hitler's game by lifting all restrictions on Nazi demonstrations throughout the little country. Schuschnigg, realizing that he had been duped, sought to save the state from Nazi domination by holding a plebiscite. It was, however, too late. Hitler taking advantage of a cabinet crisis in France forced Schuschnigg's resignation on March 11th by threatening invasion and on the following morning poured his troops across the Austrian frontier.

This brutal act represented the first serious breach in the territorial settlement of 1919. That in itself was enough to send a wave of alarm sweeping over the countries of Europe. Each of the smaller states began to wonder whether it was to be the next victim of German aggression.

Czechoslovakia was especially alarmed because only a few miles of level land lay between Vienna (now in German hands) and the Czech countryside. However, France and Soviet Russia, who were bound by treaties to assist Czechoslovakia if she were attacked, declared they would fulfill their obligations, and Britain suggested she might fight if central Europe went to war. But the warning was so vague that no one, least of all Germany, took the British statement seriously.

With the powers thus divided a dangerous crisis developed within Czechoslovakia, where the Germans formed about a fourth of the population. This minority was united by both economic and national grievances, for they lived in industrial areas badly hit by the depression. Under Konrad Henlein, a local Nazi leader, these groups had organized a powerful political bloc and now began to agitate for autonomy. Across the frontier the German propaganda machine broke out into a storm of abuse of the Czechs. The Czech government sought to stave off the danger of German intervention by offering concessions. But at each offer Henlein simply raised the ante. By May he was even demanding that the government reverse its foreign policy, drop its alliance with France and Russia, and so become a part of Hitler's political system. The Czech government naturally refused. When a few weeks later German troop movements seemed to betoken an invasion, the Czechs mobilized their army and received diplomatic support from Britain, France, Russia and even Poland. For several days Europe was on the verge of war; then the tension relaxed.

We know today that the action of the powers in May only postponded the German-Czechoslovak crisis. All through the latter part of the summer the Nazi press hurled insults at the Czechs for their allegedly barbarous mistreatment of the Sudeten Germans. In western Germany thousands of laborers worked feverishly on the great fortified line that would block invasion from France. Rumors spread that the military authorities were calling up troops by the hundreds of thousands on the pretext of preparing for the annual army manoeuvers in mid-August. As the news of these developments leaked out, France and Britain took counter measures; the French began to call up their own reserves and the British fleet was ordered to be ready to take its war stations.

But neither the British nor the French government was anxious to go to war for the sake of Czechoslovakia. Instead they sought to resolve the central European crisis by mediating between the Czech government and Henlein's Nazi followers. The only result of these efforts was to force Czechoslovakia to offer further concessions which, Henlein, now in constant contact with Hitler, rejected. Still the British

government persisted. On September 7th through an editorial in the London *Times* it virtually yielded the game to Hitler and Henlein by proposing the outright cession of the Sudeten area to Germany as the best possible solution.

From that moment Hitler held all the cards, since Britain was apparently no longer prepared to fight for the integrity of the Czech state. He quickly seized his opportunity and at the great Nuremburg Nazi rally threatened to intervene unless the Sudeten Germans were allowed self-determination. His demands were followed by organized rioting on the part of Henlein's followers. Mediation, it was evident, had failed and once again Europe trembled on the brink of war.

In this emergency Chamberlain decided to appeal to Hitler in person. A series of meetings followed at which the Nazi Chancellor shocked the elderly prime minister by insisting on the immediate cession of the Sudetenland as the only alternative to a German invasion. Rather than run the risk of conflict, Britain and France agreed, forcing the Czech government to accept the terms. On the first of October after another crisis over the manner of transfer, Britain, France, Germany and Italy settled the details at a conference in Munich.

The most that can be said for this settlement is that it averted war. It did not bring permanent peace to Europe as Chamberlain naïvely believed. On the one hand, it reduced Czechoslovakia to a small truncated state of ten and a half million, thus giving Hitler control of the upper Danube—the key to southeastern Europe. On the other hand, it involved the destruction of the little Entente and the dissolution of the coalition of powers which was forming against Germany in the latter stages of the Czechoslovak crisis. Hitler's triumph was overwhelming.

Actually Munich ended only the first phase of the Czechoslovak affair. Hardly was the agreement put into operation when new acts of violence broke out in Central Europe. No sooner had Germany taken its share of Czechoslovakia than Poland and Hungary forced the helpless state to yield additional slices of territory to each of them. Meanwhile, between constant pressure applied from Berlin and Nazi instigated terrorist activities in Ruthenia and Slovakia, the mutilated remains of the state threatened to break up.

In the spring of 1939 came the final showdown. First the province of Slovakia was detached from the rest of the state and made independent of the Prague government. Next, on the pretext of protecting Slovakia from Czech outrages and brutalities, Germany served an ultimatum on President Hacha of Czechoslovakia, who came to Berlin and there, after a merciless three hour grilling, finally agreed to sign the death warrant of his country's independence. German troops by the hundreds of thousands poured across the frontier, and on March 15th, just a year after his entry into Vienna, Hitler took possession of the ancient castle of Prague.

The seizure of Czechoslovakia marked a turning point in the post Munich period. At one blow Hitler had wrecked the Munich settlement

and destroyed any remaining confidence in his pledged word. All talk of appeasement abruptly subsided. Britain and France in desperation at last determined to stand firm against aggression on the continent.

Now in all eastern Europe there was, aside from Russia, only one nation that might conceivably block the German drive for Lebensraum, and that was Poland. A week after occupying Prague Hitler turned to the Baltic, seized the city of Memel from Lithuania and followed up this move by demanding from Poland the restoration of Danzig and the cession to Germany of a motor roadway across the Polish Corridor to East Prussia. The implication of these demands was obvious. On March 31st the British Government replied by announcing a pledge of assistance to Poland if she were attacked or her independence threatened. In April Britain and France took further steps toward the creation of a stop-Hitler front by extending similar pledges to Greece and Rumania. A little later the two great democratic powers initiated conversations with Russia in an effort to draw the Soviet into a great anti-Nazi coalition. Hitler responded by tearing up the Anglo-German naval agreement of 1935 and the Polish-German treaty of mutual guarantee of 1934. Britain and France were bluntly told to mind their own business by keeping out of affairs in eastern Europe.

At the beginning of the summer it still seemed possible that war might be avoided, provided that Britain could succeed in convincing Hitler that she would fight if he were to attack Poland. Unfortunately British warning seriously, and rejected all proposals that he modify his opinion of his Foreign Minister, Von Ribbentrop, refused to take the British warning seriously, and rejected all proposals that he modify his demands upon Poland. All through the latter part of the summer German-Polish relations grew visibly worse as the Nazi leaders in Danzig organized furious demonstrations against the Polish Government and worked feverishly to arm their followers and prepare the city for possible attacks from Poland.

Then, while the world waited in suspense, suddenly the bottom was knocked out of the Anglo-French negotiations with Russia by the announcement of a Soviet-German non-aggression treaty. The news, so different from what observers had expected, came as a tremendous shock to a world which had so often heard Hitler denounce the Bolshevists as the enemies of civilization, or read of his schemes to seize the Russian Ukraine. At one stroke the Nazi Chancellor had turned the tables on his opponents by coming to terms with his bitterest foe who now promised to remain neutral, leaving Germany free to attack and crush Poland before aid could arrive from the west. The stop-Hitler plan had failed.

In a last desperate effort British diplomacy sought to find some formula that would satisfy both Hitler and Poland, and thus avert the impending catastrophe. But Hitler refused to negotiate. Just seven days after Von Ribbentrop signed the German-Soviet pact in Moscow, Nazi planes roared across the Prussian frontier and bombs began to rain on the towns and cities of Poland. Britain and France issued

ultimatums demanding that Germany should immediately recall her armed forces, and upon her refusal declared war on the Reich. The great war in Europe had begun.

Bruce T. McCully.

THE LESSON OF FRANCE

AN EXPOSITION OF THE circumstances leading to the collapse of the Third French Republic on July 10, 1940, constitutes an indictment against the competence of French representative government, and a warning to the remaining democracies of the world. Whether French democracy could have survived had the nation not suffered military defeat is a question that will, no doubt, be a subject for endless debate; and it is certainly correct to assert that a Europe in arms, aggravated by an ambitious Italy and an insatiable Germany, was the immediate cause of her downfall. Nevertheless, economic dislocations, accompanied by social unrest, had before this assumed world-wide proportions, and beginning as early as 1932, in the face of the deepening depression, representative government in France had in every case failed to deal successfully with her constantly recurring economic, and, later, her foreign problems. As her difficulties mounted and crisis followed crisis, new cabinets were formed and granted plenary powers, for limited periods, to deal with the emergencies. But France seemed wholly unable to formulate any definite and continuing program that could command a stable majority in her Parliament, wholly unable to develop a national unity and will capable of withstanding assaults from within as well as assaults from without. Although faced with a powerful national urge to safeguard her material interests, her intellectual values, and her territorial integrity, she failed to unite in time in a common purpose and with a common will.

The history, the temperament, the structural peculiarities of the government, the traditions of France, all conspired to make of her an extreme example of the weaknesses of the democratic process when faced with a prolonged emergency. If French leadership had not temporized with financial and social problems, if the cupidity and prejudices of the people had been overcome, if capital and business had been willing to support the popular front and workers had been satisfied with reasonable and practical reforms—in short, if a far-seeing government had been able to formulate and popularize a sound national policy, calling for immediate sacrifice, perhaps, but with a real promise for her future national welfare—then French democracy with all its structural weaknesses and outside pressures might have survived. When faced with the threat of disaster, men seek order and security; French democracy had failed to develop a self-discipline and leadership capable of imposing the conditions necessary to their attainment, and, with more hope than promise, France acceded to discipline and direction imposed from above.

The important lesson for us to learn from the experience of France is that there are certain inherent weaknesses in representative government, of which France offers but the most recent and extreme example. One need not be labeled "Fascist" to admit the difficulties, the delays, and the ineptitudes of democracy as it has been confronted with the problems of the modern world. Fascism would in all probability never have gained a foothold in Italy but for the corruption and inefficiency of her Parliamentary regime. The Weimar Constitution carefully avoided the supposedly structural weaknesses of the French system, and sought to avail itself of the tested principles upon which the democratic processes in England and the United States had successfully functioned. Yet, there is a frightful and significant similiarity between the rise of Nazism out of the collapse of the Weimar Republic and the fall of the Third French Republic. It may be argued that these circumstances were brought about by economic distress and the accompanying social unrest, and these factors, if they did not actually plant the seed of Fascist revolution, certainly did provide the medium in which it flourished. But the enduring qualities of representative government will, in the long run, depend upon the dispatch and intelligence with which it meets these conditions. "Liberty, equality, fraternity" were the watchwords which conquered the old despotism of France, but slogans alone could not preserve the new order. The world in which we live has developed into a complex society; the machine, the obliteration of distance, the prompt exchange of ideas, the interaction of economic forces require cooperation and collective action hardly consonant with eighteenth century individualism. If democracy is to survive and permanently replace revolution and despotism, it must recognize the difficulties it faces and convince men of the essential soundness of its institutions by finding solutions for its problems. It must devise some means by which a balance can be maintained between that which is called political and that which is called economic. It must insure order and command confidence in the face of dynamic changes such as are brought about by a new discovery, a technological advance, or a new ideology, and it must be adaptable enough to adjust itself to these changes in a rational and orderly fashion. French democracy either lacked the capacity to develop techniques and social controls capable of dealing with the problems of this modern world, or the will to accept them, and finally fell a prey to attack from without because she had not conquered the enemy within.

America is the last rampart of democracy. Even England, with centuries of experience in the evolution of representative government, has been forced to abandon the normal processes of free government in order that she might achieve a national unity and efficiency capable of withstanding attack. So far, we have managed to weather the storm of almost world-wide economic dislocations,

and have turned deaf ears to the dynamic forces loosed by a new revolutionary ideology. Nevertheless, we can find many less exaggerated counterparts of French mistakes, enough to serve us with a grave warning. The preservation of our security has been easy because we have been rich and powerful and well-insulated by the oceans from the cross-currents of European forces. But the spirit and the capacity of American democracy has yet to face its supreme test. Increased taxes as a result of our mounting national debt, our armanent program, and the expanding responsibilities of the government for social reform; severe economic disturbances brought about by the loss of foreign markets and the abnormal expansion of unproductive enterprise at home; the adjustment of differences between economic groups; a controlled currency, and the probability that the government will be more and more driven in the direction of a planned and managed economy; the imminent danger of war, and the almost certain world-wide economic collapse as the aftermath of the present conflict—all of these forces which we can foresee but which we can neither prevent nor avoid will try our very souls and test the competence of our democracy.

We are better prepared for the ordeal than was France. We enjoy a reserve of wealth and power that she did not possess. The multiplicity of parties in the French Parliament, even under the most favorable circumstances, compelled government by coalition groups, and this in turn resulted in a divided responsibility and law-making by compromise. A lack of balance in powers between the legislative and executive branches of the government made the cabinet in reality a delegate of Parliament, subject to every legislative whim, rather than an independent executive branch, with the result that the executive direction of affairs changed hands with a frequency that prevented the formulation and execution of any continuing administrative leadership. Authoritarian government was not new to France, and the spirit of the revolution burned undimmed, side by side with the Napoleonic legend, and the remnants of monarchy. The new dynamic ideologies which surrounded her were in reality old doctrines and old ideas in new dress, and, in her time of need when her democratic processes seemed inadequate for their task, struck responsive chords in French hearts. The structure of our democracy is better designed to withstand the stresses and strains placed upon it. The spirit and temperament of American democracy lacks that emotional and revolutionary individualism reminiscent of 1789, and we have already indicated our willingness to share with our government some of our privileges and responsibilities as individuals. As I interpret Tuesday's endorsement of the past seven and a half years of the New Deal, it is a declaration by a vast number of the American people that they no longer believe that the doctrine of the "laissez faire" will guarantee our security and insure our prosperity. I believe our vote indicated at least our patience

with the trial and error methods of democracy, and most important of all, our willingness to give continued support to what appears to us to be a capable and patriotic leadership during a period of national emergency.

These are all important and encouraging factors. But in seeking to draw a lesson from the disaster of France we must continue to bear in mind that the breakdown of French democracy was a spiritual breakdown rather than a structural one. Confronted with economic and social problems at home, and faced with aggression by foreign foes, she lacked that patriotic spirit which compels men to place a common national welfare above their individual desires and well-being. Divided into cliques of, for the most part, self-interested groups, and having lost confidence in the competence of her democracy, she refused to give it that measure of support and patience without which it could not hope to find a solution for her problems. In her hour of greatest need she was disunited; and, divided, she fell.

What the immediate future holds for America no man can say; but there can be no doubt that in the days that lie ahead our courage, our spirit, our very faith in democracy, will face its supreme test. If we will patiently and with an open mind examine the proposals by which government may develop techniques to deal with the problems of modern society; if we will stand firm before the reactionary demands whether of a monopolistic industry or unreasonable labor, and refuse to be stampeded by the unreasonable and impossible demands of political and pressure groups, organized solely on the basis of economic self-interest; if, in economic adversity as well as in prosperity, our faith in the democratic way of life remains unshaken; if we will be satisfied with tolerable efficiency in government in the belief that that is the best we can achieve and remain free; if we can give the lie to Mussolini's denunciation of the "bourgeois spirit" as the "spirit of satisfaction and accommodation, the tendency toward scepticism and compromise, the love of ease and a career"; if individually and in groups we shall have submerged our hates and hopes and ambitions for the common weal, and shall have self-imposed those conditions of discipline which will insure "the preservation of the delicate balance between order and liberty so that the former may not turn into oppression or the latter into license"—then our democracy will have stood its supreme test. It will have conquered where France's failed.

Charles J. Duke, Jr.

THE CIVIL LIBERTIES IN A TIME OF CRISIS

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THE CIVIL LIBERTIES surely present to a sorely troubled America one of its most perplexing problems. They are, most of us feel, among our most precious possessions; they are equally, it is claimed, our greatest weakness. We feel ourselves set in sharp contrast with—destined perhaps to ultimate conflict with—societies which disregard the civil liberties and appear to gain by so doing. The gain may be momentary—and merely military—but it is very real. We see our way of life—the free way, as we call it—threatened by its very freedom; we see nations which have also treasured the civil liberties caught far behind their enemies in effectiveness and decisiveness of action. So we who are dedicated to a strong Union are asking ourselves whether in the present crisis the civil liberties must be let go. At the same time, we see that in so far as that is done we take on the complexion of the societies we dislike. If we change in this respect, we give up American freedom—if we don't change, we stand the risk of giving up America. This is, I think, the face which the present situation offers to the majority of puzzled Americans today.

Now in general, though by no means unanimously, the American community seems to me to favor altering our practice of civil liberties, to restraining speech and other forms of expression so as to bring them into line with the main demand for national security. "If we must choose," runs this view, "between America itself and a free America, we'll save America first and then work back as we may to American freedom." And from this view I want this evening to record a very emphatic dissent. We do not need, I think, to stop being free in order to be strong. We need not so separate and oppose to one another the national strength and the civil liberties. We do not need to concede that American theory on those liberties has not always been clear—that in it are notions supporting the idea that civil freedom and national power are essentially opposed. But running through our social theory has persisted another strain which has asserted not opposition but mutual support and assistance. This is, as I shall try to show, a permanently valid element in America's social philosophy. And if this can be maintained, it must follow that in the present crisis we must not restrict but rather promote as arduously as we may the practice of civil freedom.

America must not change—must not give up—its theory of civil liberties. What is that theory? Where do we find it stated with clarity and consistency? Where, in particular, do we find it stated in a way that establishes its continuity with our concept of the national well-being? There are two accounts of it which I want briefly to consider, associated with the thinking of Thomas Jefferson and of Mr. Justice Holmes. Neither will, I think, completely answer our quest, but each offers considerations which cannot be ignored.

The Jeffersonian theory is that of the natural rights of men, to carry on those activities which their native capacities assure them. It asserts the right of individual man, independently of society, to use the faculties of speech and thought and worship as his reason bids. It is a stirring declaration—this affirmation of individual rights; and it is of course deeply set in our national heritage.

Yet the Jeffersonian theory—popular though it still may be—is not an acceptable theory of the civil liberties. It sees those liberties as individual concerns whereas they are clearly social, in their origin and their exercise. For men must, to talk significantly, talk in a common language to other men. Again, the natural rights theory in its literal form admits of no restraint on speech or publication. This rigidity and this excess of individualism preclude it from affording a basis for the civil liberties. It has been of immense value in suggesting their significance for American Life. But it will not, I think, provide an account of the civil liberties with which we may face the present crisis.

Nor, as I think, is this account to be found in the more recent theory which has found expression in the writings of Mr. Justice Holmes. As he saw them, the civil liberties are to be protected, not as private rights, but as public instruments. They are, he argued, the only way society has of discovering the truth—and accordingly their usefulness to society is very great. It is for this reason that I call this theory of Holmes the public utility theory of the civil liberties. Between 1935 and 1939, certainly, it was the prevailing theory in the Supreme Court. During the war of 1917 it was—in the Holmes form—definitely a minority view in the court—as in the country. But following its logic Mr. Justice Holmes wrote some of America's most impressive opinions in defense of civil liberties.

The public utility theory does not affirm an absolute right to speak or to publish as one thinks best. It acknowledges that besides truth-seeking there are other activities useful to the public—and that on behalf of these speech and press must on occasion be checked. Thus newspapers may not print matters relating to movements of troops in time of war. The civil liberties must be weighed and balanced against other socially useful procedures. This does not mean that Holmes thought of the civil liberties as of little import. They were for him an essential element in that experimental search for truth which makes meaningful all human existence, social or individual. They must not, accordingly, be restrained except as they offer a "clear and present" danger to the other pressing purposes of government. In general they are to be given free rein, and it was only on specific and immediate opposition to the draft law in 1917 that Holmes sanctioned restraint. General statements opposing war or decrying military service did not, Holmes felt, constitute a "clear and present danger", and they might well help to clarify America's aims and techniques in carrying on the war.

In this theory as in that of Jefferson there is much that is true, and yet I must say that I find it also unsatisfactory. For despite its concern for the civil liberties it does not clearly define the field within

which they are to be protected. It does not make clear the meaning of "clear and present danger"—at least, its own followers do not agree in many cases on what that means. And the reason for this is, again, that it sees the civil liberties as procedures distinct from the national strength and so as something to be weighed against that. Just how the balancing is to be done is not made clear. Consequently, in time of crisis there is, under the public utility theory, a strong tendency to give up the civil liberties and to concentrate upon a supposed different task—that is, the carrying on of national defense.

This is, of course, a very incomplete discussion of both the Holmes and the Jefferson theories. I think, however, that it is fair to criticize them both on the ground that they do not establish real continuity between the civil liberties and the national well-being. And so I want briefly to sketch a further account which may provide that continuity.

The most striking feature of the present crisis is the sense it has awakened in Americans of a common peril, a common urgency. Central in our troubled view is a resolution that we shall not relinquish our procedure of determining American policy by what Americans want —by what is the common sense of American opinion upon American problems. This setting gives, as I see it, the proper background for the understanding of the civil liberties. They are, surely, the ways in which the public mind, the public opinion, of America, is formed and made aware of itself. In them we become conscious of common interests and formulate common policy. They are, then, the ways in which society comes to a decision. They are not, by the same token, involved in the carrying out of such decision—their concern is with opinions, with advocacy, not with actions. So far, then, as speech and thought are elements in the formation of national policy, they must, I think, be entirely free.

The one demand we are all feeling is that we as a nation achieve strength and decisiveness. And the civil liberties as here interpreted are essentially connected with that demand, for a community cannot achieve strength except as its decisions express the opinions, the wills, of all its members. When in hysterical fright or excess of caution it silences any of these, it deprives itself of their support and also wastes itself in activities of repression. When on the other hand it admits to public debate any and all who would contribute to the joint decision, it achieves such scope and balance as is neither upset by danger nor overcome by novelty. It has within itself the resourcefulness that reflects the variety of its members and the plasticity and toughness that rise in the resolution of their differences. And to the forming of such a public mind the preservation of the civil liberties, equally, for all, is indispensable.

I said before that this theory is concerned with expressions and with advocacy, not with actions, and I want again to stress that point. We must protect expression which genuinely plays into the reasoned forming of the public mind—whether such expression agrees with the prevailing national policy or not. Conversely, we are not on the theory

committed to protection of immediate and passionate incitement to riot. Such incitement is action just as surely as the bloody violence that follows it. Civil liberty does not protect that, any more than it protects the organizing of armed or semi-military organizations to reflect without question the commands of a foreign or domestic leader.

In the civil liberties as essential elements in forming the public mind, then, we do have a theory which shows their continuity with national effectiveness. It involves, I think, that government do more than simply keep hands off discussion—it requires that government promote full discussion and secure expression of all views, especially those of dissent. Open discussion is not what we have to fear, whether by pacifists or communists or fascists. They can threaten the nation only as they are not heard and are driven to underground activity. They can, positively, assist the nation if they are permitted to contribute their views to the national attitude. And only a government which in that way promotes the civil liberties can achieve and maintain enduring strength.

DONALD MEIKLEJOHN.

INDUSTRIAL MOBILIZATION

INDUSTRIAL MOBILIZATION holds as important a place in national defense as that occupied by the selective service and training of the armed forces. This was one of the outstanding facts learned in 1917-18, and more forcibly brought to our attention by the tragic events of the past months. In 1917-18 our plans for industrial mobilization were improvised, which resulted in wasting valuable time and resources. The Council of National Defense, created in 1916, failed largely because it confused its real functions, which were coordination and advice, with activities that involved administrative detail.[1] Out of the Council's failure there emerged the War Industries Board which did not realize its full powers until President Wilson made Mr. Baruch, chairman, and vested him with part of the President's vast war powers. "The ultimate decision of all questions, except the determination of prices," the President wrote "should rest always with the Chairman, the other members acting in a coöperative and advisory capacity."[2]

Both the Army and Navy departments are fully aware of the importance of the place that industrial mobilization occupies in national defense, and for twenty years they have been planning for it. Their latest plan was issued in 1939.[3]

The recent turn of affairs has made it necessary to translate plans into administrative action. Last year (1939) the President appointed the War Resources Board, composed of seven well known industrial leaders. Mr. Stettinius was its chairman. Labor was not represented on the Board, an omission that aroused considerable resentment among labor leaders. In less than two months, however, the Board made its unpublished report and was disbanded.

The National Defense Council, and the National Defense Advisory Commission appointed, May 1940, by the President have their legal basis in the Army Appropriation Act passed by the Congress in 1916.[4] By the terms of this Act, the Council of National Defense which consist of the Secretary of War, of Navy, of Interior, of Agriculture, of Commerce, and of Labor shall coördinate industry and resources for the national security. Upon the Council's nomination, the President appoints the advisory commission, consisting of seven persons, each distinguished in some field of industry and labor relations.

It is understood, of course, that the National Defense Advisory Commission is not an executive or a super-administrative agency au-

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1 Willoughby, W. F., *Govt. Organization in War Time and After,* pp. 10-21.
2 *Ibid.,* pp. 74-76.
3 Industrial Mobilization Plan, 1939.
4 39 Stat. 649 (1916).

thorized to issue commands, to make contracts, to buy supplies, or to hire labor. Work of this kind is handled by the existing departments of government. The Commission has often been described as an advisory agency. This statement should not, however, create the erroneous impression that the Commissioners are figureheads, closeted in marble offices, who out of the profundity of their knowledge and experience merely give advice. The Commission has the very positive function of coördinating and facilitating the defense program. Each Commissioner has a clear-cut, well defined area of responsibility. Mr. Stettinius, the head of the Industrial Materials Division, coordinates and facilitates the flow to the factories of raw materials essential to national defense. Mr. Knudsen, head of the Production Division, steps into the picture where raw materials are fabricated. His job is to see that the Nation's productive machine is geared into the defense program. Mr. Sidney Hillman, head of the Labor Division, does not find jobs or train workers, but he coördinates the activities of agencies in the established departments through which a reservoir of labor is located and trained. Mr. Hillman is ably assisted by the Labor Policy Advisory Committee composed of representatives of the C. I. O., the A. F. of L., and the R. R. brotherhoods. Mr. Chester Davis collaborates with the Department of Agriculture in seeing that agricultural resources are available for defense. Through this division thought is being given to the very important matter of post-defense adjustment. It is not only a good strategic policy to locate certain defense projects away from the congested industrial centers, but it will facilitate the inevitable adjustments that come after demobilization. The munitions plant located at Radford, Virginia, is a good example of location for economic as well as for strategic reasons. The matter of locating a powder plant will, of course, involve some other matters of personal security. For instance, in the numerous letters the Advisory Commission gets from public-spirited citizens requesting favors for their communities, one was from a man who asked that a powder factory be located in the next town. To get back to the Commission. Mr. Ralph Budd, head of the Transportation Division, coordinates the country's transportation system so that defense supplies will be moved quickly. Mr. Budd says that the transportation system is ample for all emergencies, and is not likely to break down as in 1917-18, necessitating government operation.[5] In fairness to the private owners, it should be stated that a large factor in the break-down was failure to load and unload the cars promptly. The complaint was made that the cars were used for warehouses. In fairness to the Railroad Administrator it should be said that order was restored, and the supplies were moved. Both Mr. Henderson and Miss Elliot, head of the Consumer Protection and the Price Stabilization Divisions, respectively, are interested in prices. Miss Elliot is especially concerned with prices of basic consumer articles. She cooperates with both public

[5] Radio Address, October 3, 1940.

and private organizations concerned with consumer problems.[6] Mr. Henderson observes the general price trends, and suggests procedures to prevent unwarranted increases.[7] Government price fixing by statutory or by administrative fiat has not started, and it is the hope that rigid and sometimes arbitrary controls of this nature will not be necessary. Procedures now used do not control, but one might say they are designed to subdue or to influence prices. Investigation, conference, publicity supported by public opinion, the spacing of purchases, and control of scare advertising have so far prevented any unhealthy increase in the prive level. This is a notable accomplishment, in view of the eight billion dollars of contracts, that have been awarded in four months, the largest peace time spending in the country's history. Mr. Donald M. Nelson, who was originally appointed as Coordinator of Defense Purchases, is now Administrator of Priorities and Director of Small Business Activities. The importance of his role in the National Defense Program would easily give him the rank of a Commissioner. As a matter of fact, he has been mentioned as a possible Defense Administrator to coördinate defense activities on the industrial front.[8]

This question of reorganizing the National Defense Advisory Commission under a single responsible administrator has already stirred considerable comment. Before the heat of the recent campaign had died down, and before reason had mounted above our emotional barometer the suggestion was made in all seriousness that it would be a fine gesture of national unity if the leader of the loyal opposition were made chairman. In thinking about executive agencies, one is quite likely to rely strongly on the pyramid or hierarchical organizational pattern. In other words he thinks in terms of coördination by hierarchy where the lines of control run upward and converge in the hands of an administrator who is therefore in a position to enforce coördination by disciplinary measures, if necessary. To state this principle in its bald form, of course, is to show that it would not work one minute with as distinguished an agency as the National Defense Advisory Commission. In the current discussion of a single responsible head for the Commission, an important point overlooked is that one of the best coördinating devices is the dominance of the idea, and certainly in this emergency the idea is defense. An idea will create miracles in coördination where dependence on hierarchy will fall flat. If one really wanted to get argumentative about the chairmanship of the National Defense Advisory Commission, he might deny that there is need for one, inasmuch as the President of the United States is the Chairman. As Mr. Knudsen says:[9] "The President is our boss." Twice a week the council meet as a unit, and once a week they report to the President. Mr. McReynolds, the

[6] Harriet Elliott, Radio Address, September 26, 1940.

[7] Leon Henderson, Address before Herald Tribune Forum, N. Y., October 23, 1940.

[8] United States News, November 15, 1940.

[9] W. S. Knudsen, Address before Conference of Mayors, N. Y., September 20, 1940.

administrative assistant to the President, is the Commission's secretary and presides at their bi-weekly meetings. The expert in executive management might say that the chief executive upon whom the burden of a complex government rests heavily might simplify his work by reducing the span of attention. In other words, it is easier to concentrate one's attention on one than on seven or eight important subjects. A chairman, or an Administrator of National Defense would reduce the chief executive's span of attention from seven to eight to one important purpose. Reference has been made to the fact that our 1917-18 experience shows that success was attained only after President Wilson made Mr. Baruch, Chairman of the War Industries Board. But one should also remember that was done after we were at war and after the advisory council had become an executive agency. At present the National Defense Advisory Commission is an advisory, coördinating, and facilitating agency. It has no thaumaturgic powers. It is not an executive agency solely responsible for getting things done. In the event that it becomes an executive organ, and probably before that time, a chairman will be appointed. A strong case can be made for giving the civilian National Defense Advisory Commission complete executive responsibility for supplying materials, and have the Army and Navy Departments, which are now awarding contracts, confine their attention to planning military strategy.

Another matter of almost the same interest as creating a National Defense Administrator, is that of whether the defense effort will result in setting up new administrative establishments. On this point the Industrial Mobilization Plan of 1939 says:[10] "Since the functions to be accomplished are new and temporary, entirely new and separate agencies, directly responsible to the President, should be created for industrial mobilization in time of a major war. Reliance should not be placed on existing governmental departments and officers unless the functions to be used are peace-time as well as war-time responsibilities. Usually the functions of existing departments and agencies are defined by law and custom and are designed to serve only a social structure based upon a peace-time economy."

One might say, of course, that the defense effort should not be jeopardized by reliance on existing administrative machinery if new instruments keenly alive to their responsibility will do the job better. On the other hand, one must also consider that administrative establishments of control have been increased and have been improved since 1917-18. If you run back in your mind to that year, you will find that both the Federal Reserve System and the Federal Trade Commission were in their infancy. They had hardly cut their teeth of control. The Securities Exchange Commission, the F. C. C., the T. V. A., the United States Employment Service and several other well known labor agencies had not been established. The splendid contribution of the Department

[10] See Industrial Mobilization Plan, Revision of 1939, in Tobin, H. J. and Bidwell, P. W., *Mobilizing Civilian America,* pp. 237-257.

of Agriculture to the science of public administration had not been made. Since 1917, the R. F. C., the Maritime Commission and the Federal Power Commission have stabilized and increased both their promotional and regulatory powers.

Today all these agencies are coöperating with the National Defense Advisory Commission in this tremendously important task of industrial mobilization for national defense.

The problem of industrial mobilization for defense cannot be solved by organizational charts and by the allocation of duties among key men in the pattern of government. Administrative techniques for control of industry must be developed, and must be operated effectively. These methods of control are: priorities, commandeering, industrial conscription, licensing, procurement, and price control. Several of these are now in use. There is legal basis for the others, and they will be used if the present defense effort should unfortunately become a war effort. Then, when happily it is all over, and there is a complete psychological let-down, we might save ourselves some of the miseries that follow supreme efforts of this kind by the skilful and unselfish use of proper administrative controls to readjust our demobilizing forces.

James E. Pate.

INDUSTRIAL CONTROL IN TIME OF WAR

THE UNITED STATES has probably gone farther in instituting war-time economic controls than any other non-warring nation outside of pre-1939 Germany. Actual participation in war would not so much involve setting up new controls as extending and implementing machinery already set up by the National Defense Advisory Committee. It is timely, therefore, to review the objectives of war-time control of economic life, the possible techniques available, the extent to which these techniques are already in use, and their probable impact upon the economy of this country. We must be careful to consider not only the immediate effect of these war-time controls but also the obstacles which they may place in the way of an orderly post-war transition to a peace economy. There is grave danger that we may forget that no war lasts forever and that what we do during the war period and the way in which we do it may ease or make more difficult the always troublesome task of beating swords into ploughshares.

The basic objective of a system of industrial control during war-time is, of course, to win the war. More specifically, the economic system must be so regulated that it will produce guns, powder, tanks, airplanes, battleships and consumers goods in sufficient quantities to supply the expanding military and naval forces. The second objective is to soften the blow upon normal economic life as much as possible. It is obvious that the first objective is paramount during the war period itself, but that the latter objective becomes all-imporant for the long pull.

Two classes of obstacles obstruct attempts to secure adequate supplies of war goods. The first is industry's slowness in meeting the new conditions of demand. The second is that civilian demand tends to compete with military demand. Steel mills produce girders for private buildings and sheets for automobile bodies as well as shells and tanks. Both soldiers and civilians require food, and shoes. As the war develops and industry and employment expands, civilian purchasing power increases. This intensifies the competition between civilian and military demand. In the absence of governmental control, prices shoot up. The government has to pay more for its war goods, thus complicating the problem of war finance, and encounters shortages of essential goods on every hand. During the last war, not only did the United States government compete with civilians for industrial products, but the Army, Navy, other government agencies and the purchasing agencies of allied governments engaged in a merry scramble for goods, each bidding against the others.

Price increases are further stimulated by rising costs during war-time. As prices begin to rise, living costs go up. Wage-earners rightly insist that wages should keep pace. Labor shortages because of army

enlistments and increased demand for labor give unions the bargaining power with which to force wage increases which frequently go beyond the point necessary to meet the higher living costs. Longer work hours and the use of inexperienced workers to meet the abnormal demand for greater production tend to lower the efficiency of the labor force. Strikes make their appearance and add their very considerable bit to production costs. The Vultee Aircraft strike in California, settled with a considerable increase in wage rates two days ago, and the current aluminum workers strike in Pennsylvania are typical examples of wartime labor troubles. A further factor causing higher production costs is the fact that higher prices tend to bring out of retirement obsolete, inefficient plants and equipment which under normal circumstances would be unable to cover costs. Higher costs, in turn, intensify the tendency toward higher prices brought about by competition between civilian and military demands. This upward spiral not only makes it difficult for war supplies to be secured at reasonable prices but also creates serious shortages of goods for civilians and breeds economic and social maladjustments, which weaken civilian morale.

In order to develop adequate supplies for its military program and to avoid morale-shattering maladjustments between prices and costs throughout the economic structure, governments have experimented with various types of industrial controls. They can be discussed under the following five heads: (1) taxation. (2) priorities; (3) price control; (4) rationing of consumers goods; (5) government operation of industry.

Taxation not only produces revenue but serves also as a type of industrial control. It transfers purchasing power from civilians to the government and thus automatically lessens the extent to which civiilan demand competes with military demand. Discriminatory taxes upon non-essential industries may prevent their expansion and thus divert capital and labor to industries essential to the war. Heavy taxes upon war profits and excess profits return to the government large blocks of purchasing power which the government, in effect, has created. Moreover, it improves the morale of poorly paid soldiers and sailors and of the working classes to know that the government is preventing small groups of individuals from profiting disproportionately because of the war. The effectiveness of taxation as a means of industrial control, however, is limited by its delay in becoming effective.

The United States is using the tax method of industrial control to a moderate degree, as new defense taxes went into effect last July and Congress has recently passed an excess profits tax. Additional taxes appear to be inevitable in the near future. While the announced aim of the new defense taxes and the probable primary objctive of those which will develop in the coming months is revenue, if they remain in effect for several years, they will undoubtedly tend to curtail civilian demand and thus tend to shift labor and capital into war industries.

An interesting variant of the tax device is the "deferred pay" system suggested by John Maynard Keynes, the English economist. This

calls for the government withholding from wage-earners all war-time income above a certain low exemption, borrowing these forced savings at 2½% interest, and refraining from paying any principal or interest to the workers until after the war. This both prevents price inflation during the war through curtailing consumer demand for non-military goods but it also releases purchasing power during the post-war period of unemployment and economic distress. The difficulty, of course, would lie in persuading wage-earners to forego high wages during the war period and in administering any such system which involves millions of accounts between government and individuals. It has not been used to any great degree even in England as yet and is unlikely to be used here.

The most effective type of industrial control is the priority system. It involves the listing of economic products and processes in order of importance in carrying on a war and the granting of prior rights to raw materials, capital, transportation service, and, perhaps, labor supplies to those industries which are at the top of the list. In addition, it involves the issuance of specific priority orders whenever necessary to keep the essential war products flowing into the armed forces. Delicate administrative problems are involved in distinguishing between essential and non-essential industries, in determining which plants in a given industry are to receive priorities, and in determining what non-military products may be produced. Just last week, the Priorities Board of the National Defense Advisory Commission was asked by the War Department to stop the production of commercial transport planes in order to push military production. So vehement was the opposition of plane manufacturers, air transport companies, and other persons who claim that the maintenance of a sound commercial air transport system is in itself a national defense asset that the Board referred the matter to President Roosevelt. The extent to which priorities control depends upon public opinion and moral suasion is indicated by the President's statement to the effect that he was sure that the transport companies themselves would be desirous of refraining from expanding their equipment at a time when the production of military planes was so vital. Whether or not the Priorities Board of the Defense Commission can be effective without greater legal power as war needs become greater is doubtful. Many observers believe that our whole industrial defense program will bog down unless more specific legal power is given to a centralized defense agency.

Experience with run-away prices during previous crises has prompted all countries involved in this war to take steps to prevent such a condition. Charles O. Hardy, in his recent Brookings Institution study entitled *War-time Control of Prices,* holds that such war-time inflation is not inherent in meeting war needs and that sound policies coupled with properly coördinated administrative machinery can keep prices down. He warns, however, that price controls must be instituted early, before price inflation has had a chance to get started.

The fact that prices have not risen to any great degree during the recent months of industrial expansion incident to defense is due largely to the fact that the program was launched at a time when our production facilities were being operated at much less than full capacity. There is still enough unutilized capacity to make possible considerable expansion without any need for price increases. Dr. Hardy concludes, however, that rising prices can be prevented only through making certain policies effective. In the first place, the Army and Navy must be prevented from competing with each other in the market on a price basis. Contracts should be entered into with producers which merely yield a reasonable return rather than the abnormally high returns which the abnormal market conditions would yield in the presence of uncontrolled bidding. Much progress has already been made toward coördinating military and naval purchases. Second, instead of inducing high-cost, inefficient producers to come back into production through higher prices and then using excess profits taxes to return to the government the profits realized by the efficient producers because of the high prices, prices should be kept just high enough to yield a reasonable return to efficient producers. If the plant capacity of the efficient producers cannot be expanded rapidly enough to meet the demands for war goods, the obsolete, high-cost plants of the sub-marginal producers can be brought into production by outright government subsidies which would be terminated as soon as the war demand ended. While the administrative difficulties of such a program would be serious, they would be more than offset by the advantages of avoiding a distorted price structure and the bringing back into the market for an indefinite period poorly-equipped, sub-marginal producers who would probably press for the continuance of artificially high prices during the post-war period.

A third requisite for preventing price inflation would be to prevent wage increases except where necessary in the interests of health and efficiency. Price control without wage control would obviously be unworkable. Here is probably the most difficult aspect of price control. To win the goodwill and support of labor during a period of war-time without granting wage increases is a tremendous task. The recent flat statement by the general counsel of the CIO, at a forum conducted by the *Savings Bank Journal,* that labor would not be content merely to adjust wages to living costs but that it will insist on increases in wages in order to share in the profits of war-time industrial expansion illustrates the difficulties involved. The need for developing more adequate labor policies and fair, expert arbitration machinery to make such policies effective is imperative.

A fourth step which must be taken, according to Mr. Hardy, if price inflation is to be avoided, is to finance the war as far as possible through taxes and loans paid for out of current income rather than through the type of credit expansion based on Liberty Bond campaigns, backed by excessive loans by banks to purchasers of such bonds, which

was used during the last World War. This merely reiterates the point made a few minutes ago to the effect that taxation is a means of diverting civilian purchasing power to the Treasury and thus depresses civilian demand and prices.

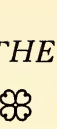
Rationing of consumer goods has been a major phase of economic control both in Germany and England. There is no reason to believe that it would not become necessary in the United States, even with its vastly richer resources, if we should actually go to war. It might become necessary for some commodities even if we merely continue in our present state of "non-belligerency", suspended between peace and war. We Americans don't like rationing, but if basic goods should become scarce and price control should prevent normal increases in price, we, like other peoples, would probably prefer rationing in order to prevent persons with good connections, money, and plenty of time to stand in lines outside of stores from having their wants satisfied to a greater degree than those less fortunately situated. Rationing, of course, would be one type of economic control which would normally disappear soon after the end of the war.

The remaining type of war-time industrial control-government operation—has been used because of insufficient flow of essential goods, labor troubles, lack of cooperation with government officials, and insufficient coördination of the various units in an industry. American railroads, telephone, and telegraph companies, and inland waterway barge lines were taken over during the last World War. It is not unlikely that power lines, munitions plants, and other essential industries might accompany transport and communication systems into government hands if we should become further involved in war. Horst Mendershausen, the Swiss-American writer of the recent book *The Economics of War,* believes that public operation of basic utilities is one type of war-time industrial control that might continue indefinitely after the close of the war. The TVA development and the rather sorry financial plight of the privately-owned railroads during much of the past twenty years lends support to this view.

Regardless of the extent to which we apply such war-time controls as taxation, priorities, price control, rationing, and government operation, two things are certain. One is that further involvement in war will cause ordinary economic activity to be subordinated to the promotion of national defense. The other is that pre-war conditions are history into which the United States cannot relapse at the close of the war. Perhaps we had better take a good look around us and soberly estimate the chances our various social, political, and economic institutions have of surviving the revolution which inevitably accompanies war and then set ourselves to the task of erecting bulwarks to protect those of our institutions which we believe to be worthy of perpetuating.

CHARLES F. MARSH.

THE FUTURE OF THE BRITISH EMPIRE



TO PERSONS AWARE of their history, the British Empire is no accident. An institution over three hundred years old does not vanish in the face of a brief assault. The Empire will last as long as its creative forces operate, and those forces will disappear no more speedily than they came into being. When you wake tomorrow morning you will learn of British freighters plowing through distant seas as they have in the past. Some may have been sunk as others are built, some will change their destinations or their cargoes, some may even change their registry. But the seas of the world are still a highway of commerce and power. The maritime nations of the world will police those seas very much as they have in the past. Those maritime nations will be the same nations tomorrow as today and yesterday.

The British Empire is a great league of states with a common interest in the sea. At the core stands Britain herself. As an industrial island on the flank of Europe she finds naval power essential to her existence. Only thus can she assure herself the lifeblood of commerce. Only thus can she assure herself freedom from domination by the military masters of the continent. Other nations have shared Britain's hopes and fears, and so have joined her in alliance for freedom of commerce. Holland, once aspirant for naval power herself, can hold the Dutch East Indies only with the aid of British sea power. And similarly the ships of Norway, Sweden, and Denmark, the ships of France, Spain, Portugal, and Italy—and indeed the ships of the United States, have long sailed the seas under the protection of the British navy. The rise of the New World in the past century took place under the protection of the British fleet. The entry of the East into world commerce came under British auspices. For a hundred years the maritime world has been a British world.

The overwhelming fear of the commercial and maritime nations of the world has been military domination by a continent power. Throughout history military conquest by great land powers has been accompanied by pillage and servitude with a restriction of commerce. A really great continental power, such as Russia, is irresponsible, since she can not be coerced by blockade or even invaded with much success. On the other hand, if there is to be domination at all, the supremacy most acceptable to maritime nations is that of an insular power which, itself, shares the interest in commerce and can be coerced by blockade if opposed by a sufficient coalition.

Britain's rule of the seas has not always been beyond criticism, but no abuse has ever been so serious as to bring about an op-

posing league of all the maritime states of the world. Britain's rule of the seas has always been preferable to mastery by a great military and land power. Had British rule been intolerable, we would not have remained at peace with her during the one hundred and twenty-five years in which we rose from infancy to our present position as one of the most powerful political and economic entities in the world.

The British Empire, then, consists not merely of the colonies and dependencies and the British Commonwealth of Nations. It consists also of the whole sea-faring world, including ourselves. Some parts of the Empire have been invaded by enemies. Some parts have awkwardly and temporarily associated themselves with enemies of the Empire. But by and large the maritime world still stands together in opposition to military conquest by any great land power.

To say that the Empire still stands firm is not to say that the Empire always has been and always will be organized as it is today.

Three British Empires have passed before us in three hundred years, and a fourth is being hammered out upon the anvil of war. The first Empire was based upon a mercantilist philosophy. We in America shattered that Empire in 1776. The Second Empire, dating from 1776 to 1914, was an Empire of autonomous dominions joined together by political consultation. The third Empire, dating from 1914 to 1940, was an Empire composed of independent states as well as crown colonies. Each step has been away from the close political control of London. Each step has been in the direction of a loose league of independent states. Today we stand upon the threshold of the fourth Empire—a world league of commercial and maritime states with its main industrial and naval strength centered in the United States.

The power of London in the world has been diminishing for more than fifty years. London originally owed her power to her geographic position on the flank of Europe and to her primacy in the industrial revolution, a primacy which was made possible by her iron and coal and by her capital accumulations from the earlier commercial revolution. The industrial growth of the non-European world, the decline in British resources, and the shift in the geographic center of commerce from the North Sea to the Atlantic and Pacific Oceans, have all made London relatively less important. Ever since 1914 a declining Britain has increasingly used her savings to maintain her level of living. The Dominions have demanded an increasing share in the making of policy. Ireland and India have made progress toward economic as well as political independence. The United States has established naval equality. The development of aircraft and submarines has reduced Britain's strategic and tactical advantages, though she bids fair to add air supremacy to naval predominance. Finally, the World War of

1914 to 1918 did untold damage to the generation of political leaders destined to assume control during these trying years.

Taken together, there is no doubt that these changes spell London's surrender of her position in the world. But the Empire still lives as the same great maritime and commercial league. Only the center of influence passes.

There are certain necessary requisites for the new center of influence. The new center must be rich in the resources necessary for the industrial revolution, and production must be organized on a mass basis. The new center must be in a position to tie to herself by the threads of finance those portions of the world in which the industrial revolution has just commenced. The new center must be a commercial power with an important carrying trade. Above all, the new center must have air and naval supremacy—but that power must not be so great that the new center could face a coalition of all the maritime states of the world. The new center is destined to be North America, facing the new channels of commerce, the Atlantic and Pacific Oceans.

The transition has been many long years in the making, but has become obvious only now. Canada has led all the Dominions in the path of autonomy, and could never have done so but for her close association with the United States. Each Canadian move toward greater freedom has been underscored with the possibility of union with the United States. Economically the two countries have long been close-knit. The unfortified boundary is the evidence of political association, however unannounced. Coordination of defense and the President's promise to Canada join the two countries in foreign and domestic policy. Australia and New Zealand are keenly aware that their political independence must depend upon assistance from the United States. Today the British Isles themselves must rely upon America for aid. The countries associated with the Empire are equally aware of America's importance. Finally by the transfer of the naval bases to American control the issue is settled. When added to the other elements of America's position the control of these bases is tantamount to the control of the whole of the British Empire in the western hemisphere. A similar coordination of defense at Singapore will accomplish the transfer of the Antipodes and the Far Eastern portions of the Empire.

India and the Middle East have so far gone unmentioned, for their relations with the American center of Empire may be less close. Yet the political aspirations of Islam, India, and China lie far closer to the Anglo-Saxon pattern than to the ideas of central Europe, and, even in the face of a battle for independence, those areas will probably continue at least a cultural association with the English-speaking world.

America's new responsibilities demand of her new policies. Today we are acting in the name of defense. But defense alone

can win only a truce, not a war. A positive program is needed. Indeed, we can no longer talk the language of ten, twenty, and fifty years ago. The continent of Europe today is dominated by revolution. If America is to have the leadership of the world she must have a positive and revolutionary program as full of real promise as any alternative. If America's role is to win sacrifice from her men and women, all must share equally in the benefits as well as the burden.

To millions throughout the world, as well as to millions in America, our policies of the past eight years offer the outstanding hope of a free world which we may all share. At this time the young men and women of Europe, of Africa, and Asia, and of America, look upon our domestic policies as a gleaming ray of hope. These policies represent the effort of a nation to build a richer cultural and physical world not only for some men but for all men. Similarly in the field of foreign affairs, the Good Neighbor policy has demonstrated that we seek a better world not to exploit it but to share it with all. That policy is capable of infinite extension.

And so, it is America's destiny during the coming century to lead the fourth British Empire and the associated maritime and commercial nations in the organization of a Pax Americana to the end that we may have a more abundant world with liberty and justice for all.

WARNER MOSS.